

MARRIED FILING COMBINED — SHORT FORM
MISSOURI INDIVIDUAL INCOME TAX RETURN

1998
FORM MO-1040B

| | | | | |
|--|------------|---|--------------------------------------|--|
| YOUR LAST NAME | FIRST NAME | MIDDLE INITIAL | YOUR SOCIAL SECURITY NUMBER | |
| SPOUSE'S LAST NAME | FIRST NAME | MIDDLE INITIAL | YOUR SPOUSE'S SOCIAL SECURITY NUMBER | |
| PRESENT ADDRESS (INCLUDE APT. NO. OR RURAL ROUTE) | | | COUNTY OF RESIDENCE | SCHOOL DISTRICT NO. (SEE PAGE 9-10) |
| CITY, TOWN OR POST OFFICE, STATE AND ZIP CODE | | | | |
| PLEASE CHECK THE APPROPRIATE BOXES THAT APPLY TO YOU AND YOUR SPOUSE | | | | |
| AGE 65 OR OLDER <input type="checkbox"/> YOURSELF <input type="checkbox"/> SPOUSE | | BLIND <input type="checkbox"/> YOURSELF <input type="checkbox"/> SPOUSE | | 100% DISABLED <input type="checkbox"/> YOURSELF <input type="checkbox"/> SPOUSE |
| | | NON-OBLIGATED SPOUSE <input type="checkbox"/> YOURSELF <input type="checkbox"/> SPOUSE | | |



| INCOME | | You | Your Spouse | |
|---------------|---|------------|--------------------|----|
| | 1. What did you report as your total income on your 1998 federal return? Enter Line 18 from the Worksheet on page 2. | 1 | 00 | 00 |
| | 2. Subtract any state income tax refund included in your 1998 federal income. | 2 | 00 | 00 |
| | 3. Subtract Line 2 from Line 1. This is your Missouri Income. | 3 | 00 | 00 |
| | 4. TOTAL INCOME. Add both numbers on Line 3 and enter here. | 4 | 00 | |
| | 5. Income percentages: Divide Line 3 by Line 4 for both you and your spouse. (The total of the two must equal 100%. Round to the nearest whole number.) | 5 | % | % |

DEDUCTIONS

| | | | |
|--|----|-------|----|
| 6. Exemption amount for married persons filing a combined return. | 6 | 2,400 | 00 |
| 7. What was your federal income tax reported on your 1998 federal return? <input style="width: 50px;" type="text"/> 00 Enter this amount or \$10,000, whichever is less. | 7 | + | 00 |
| 8. What is your standard or itemized deduction? See back of form for amounts. | 8 | + | 00 |
| 9. Enter the total number of dependents you claimed on your federal return and multiply by \$1,200. (Do not include yourself or spouse) <input type="checkbox"/> x \$1,200 | 9 | + | 00 |
| 10. Enter the total number of dependents over age 65 you claimed on your federal return and multiply by \$1,000. Go to FAQ K. <input type="checkbox"/> x \$1,000 | 10 | + | 00 |
| 11. TOTAL DEDUCTIONS. Add Lines 6 through 10 and enter here. | 11 | = | 00 |



ENCLOSE COPY OF W-2(s)/1099-R(s)



| TAXES | | You | Your Spouse | |
|--------------|---|------------|--------------------|----|
| | 12. TOTAL MISSOURI INCOME (Line 4) minus TOTAL DEDUCTIONS (Line 11) | 12 | 00 | |
| | 13. Multiply Line 12 by the percentages you determined in Line 5. Do this for you and your spouse. | 13 | 00 | 00 |
| | 14. Use the tax table on back of this form to figure the tax on amounts from Line 13 for you and your spouse. | 14 | 00 | 00 |
| | 15. TOTAL TAXES. Combine your and your spouse's taxes from Line 14. | 15 | 00 | |

PAYMENTS/REFUND

| | | | |
|---|----|----|----|
| 16. What is your and your spouse's Missouri withholding? Enter total amount from all Form W-2(s) and Form 1099-R(s). | 16 | 00 | |
| 17. Did you make any Missouri estimated tax payments for 1998? If so, include any amount of your 1997 refund credited to your 1998 estimated payments. (This may not apply to you.) | 17 | 00 | |
| 18. TOTAL PAYMENTS. Add Lines 16 and 17 and enter the amount here. | 18 | 00 | |
| 19. If amount of TOTAL PAYMENTS (Line 18) is larger than amount of TOTAL TAXES (Line 15), enter the difference here. You have overpaid. If not, enter the amount on Line 23. | 19 | 00 | |
| 20. You may donate part of your refund or contribute additional payments to any or all of the trust funds listed to the right. Please indicate your choices and the amount of your donation for each fund in the appropriate boxes. | 20 | 00 | 00 |
| 21. What is the amount from Line 19 you want applied to next year's taxes? | 21 | 00 | |
| 22. Your REFUND. Line 19 minus Lines 20 and 21. Mail to: Department of Revenue, P.O. Box 500, Jefferson City, MO 65106-0500. | 22 | 00 | |
| 23. If payments are smaller than tax, you have an AMOUNT DUE. Mail to: Department of Revenue, P.O. Box 329, Jefferson City, MO 65109. | 23 | 00 | |



| | | | | | |
|------------------|--|-------------------|---------------------------------|-------------------------|----------------|
| SIGNATURE | Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which he/she has any knowledge. As provided in Chapter 143, RSMo, a penalty of up to \$500 shall be imposed on any individual who files a frivolous return. | | | DOR ONLY | S E P F |
| | I authorize the Director of Revenue or delegate to discuss my return and enclosures with the preparer or any member of his/her firm. <input type="checkbox"/> YES <input type="checkbox"/> NO | | | PREPARER'S PHONE NUMBER | |
| | YOUR SIGNATURE | DATE | PREPARER'S SIGNATURE | FEIN OR SSN | |
| | SPOUSE'S SIGNATURE | DAYTIME TELEPHONE | PREPARER'S ADDRESS AND ZIP CODE | DATE | |

STANDARD DEDUCTION AMOUNTS

• Married Filing A Combined Return — \$7,100

If you or your spouse marked any of the boxes for 65 or over or blind, please see your federal return for your standard deduction amount.

| Federal Form | 1040EZ | 1040A | 1040 |
|-----------------------|---------|-------|------|
| Line Number or Amount | \$7,100 | 21 | 36 |

MISSOURI ITEMIZED DEDUCTIONS

- You will need to use the Line-by-Line Instructions on page 4.
- Complete only if you itemize deductions on Federal Form 1040, Schedule A.
- Enclose a copy of pages 1 and 2 of your Federal Form 1040 and Federal Form 1040, Schedule A. If you were *required* to itemize deductions on your federal return, check here ☐. (See instructions)

| | | | |
|---|----|--|----|
| 1. Total federal itemized deductions from Federal Form 1040, Line 36 | 1 | | 00 |
| 2. 1998 (FICA) — yourself — Social security \$ _____ + Medicare \$ _____ | 2 | | 00 |
| 3. 1998 (FICA) — spouse — Social security \$ _____ + Medicare \$ _____ | 3 | | 00 |
| 4. 1998 Railroad retirement tax — yourself (Tier I and Tier II) \$ _____ Medicare \$ _____ | 4 | | 00 |
| 5. 1998 Railroad retirement tax — spouse (Tier I and Tier II) \$ _____ Medicare \$ _____ | 5 | | 00 |
| 6. 1998 Self-employment tax — yourself \$ _____ Amount from Federal Form 1040, Line 27 \$ _____ Difference ... | 6 | | 00 |
| 7. 1998 Self-employment tax — spouse \$ _____ Amount from Federal Form 1040, Line 27 \$ _____ Difference ... | 7 | | 00 |
| 8. Cultural Contributions (DO NOT INCLUDE CASH CONTRIBUTIONS) — see instructions | 8 | | 00 |
| 9. TOTAL — add Lines 1 through 8 | 9 | | 00 |
| 10. State and local income taxes — Review instructions and worksheet below before completing | 10 | | 00 |
| 11. Kansas City and St. Louis earnings taxes included in Line 10 | 11 | | 00 |
| 12. Net state income taxes — see instructions | 12 | | 00 |
| 13. MISSOURI ITEMIZED DEDUCTIONS — subtract Line 12 from Line 9 (enter here and on front of form, Line 8) | 13 | | 00 |

NOTE: IF LINE 13 IS LESS THAN YOUR FEDERAL STANDARD DEDUCTION, SEE INSTRUCTIONS.

WORKSHEET FOR LINE 10 — STATE AND LOCAL INCOME TAXES — Complete this worksheet only if your federal adjusted gross income from Federal Form 1040, Line 33 is more than \$124,500 (\$62,250 if married filing separate). If your federal adjusted gross income is less than or equal to these amounts, do not complete this worksheet. See the instructions for the amount to enter in Missouri Itemized Deductions, Line 12, above.

| | | | |
|---|---|--|----|
| 1. Enter amount from Federal Form 1040, Schedule A, Itemized Deduction Worksheet, Line 3 (see page A-6 of Federal Schedule A instructions). If \$0 or less, enter \$0 | 1 | | 00 |
| 2. Enter amount from Federal Form 1040, Schedule A, Itemized Deduction Worksheet, Line 9 (see page A-6 of Federal Schedule A instructions). | 2 | | 00 |
| 3. State and local income taxes from Federal Form 1040, Schedule A, Line 5 | 3 | | 00 |
| 4. Kansas City and St. Louis earnings taxes included on Federal Form 1040, Schedule A, Line 5 | 4 | | 00 |
| 5. Subtract Line 4 from Line 3 | 5 | | 00 |
| 6. Divide Line 5 by Line 1 | 6 | | % |
| 7. Multiply Line 2 by Line 6 | 7 | | 00 |
| 8. Subtract Line 7 from Line 5. Enter here and on Line 12 above. | 8 | | 00 |

1998 TAX TABLE

| If Line 13 is | | | If Line 13 is | | | If Line 13 is | | | If Line 13 is | | | If Line 13 is | | | If Line 13 is | | |
|---------------|---------------|-------------|---------------|---------------|-------------|---------------|---------------|-------------|---------------|---------------|-------------|---------------|---------------|-------------|---------------|---------------|-------------|
| At least | But less than | Your tax is | At least | But less than | Your tax is | At least | But less than | Your tax is | At least | But less than | Your tax is | At least | But less than | Your tax is | At least | But less than | Your tax is |
| 0 | 100 | \$ 0 | 1,500 | 1,600 | \$ 26 | 3,000 | 3,100 | 62 | 4,500 | 4,600 | \$109 | 6,000 | 6,100 | \$167 | 7,500 | 7,600 | \$238 |
| 100 | 200 | 2 | 1,600 | 1,700 | 28 | 3,100 | 3,200 | 65 | 4,600 | 4,700 | 113 | 6,100 | 6,200 | 172 | 7,600 | 7,700 | 243 |
| 200 | 300 | 4 | 1,700 | 1,800 | 30 | 3,200 | 3,300 | 68 | 4,700 | 4,800 | 116 | 6,200 | 6,300 | 176 | 7,700 | 7,800 | 248 |
| 300 | 400 | 5 | 1,800 | 1,900 | 32 | 3,300 | 3,400 | 71 | 4,800 | 4,900 | 120 | 6,300 | 6,400 | 181 | 7,800 | 7,900 | 253 |
| 400 | 500 | 7 | 1,900 | 2,000 | 34 | 3,400 | 3,500 | 74 | 4,900 | 5,000 | 123 | 6,400 | 6,500 | 185 | 7,900 | 8,000 | 258 |
| 500 | 600 | 8 | 2,000 | 2,100 | 36 | 3,500 | 3,600 | 77 | 5,000 | 5,100 | 127 | 6,500 | 6,600 | 190 | 8,000 | 8,100 | 263 |
| 600 | 700 | 10 | 2,100 | 2,200 | 39 | 3,600 | 3,700 | 80 | 5,100 | 5,200 | 131 | 6,600 | 6,700 | 194 | 8,100 | 8,200 | 268 |
| 700 | 800 | 11 | 2,200 | 2,300 | 41 | 3,700 | 3,800 | 83 | 5,200 | 5,300 | 135 | 6,700 | 6,800 | 199 | 8,200 | 8,300 | 274 |
| 800 | 900 | 13 | 2,300 | 2,400 | 44 | 3,800 | 3,900 | 86 | 5,300 | 5,400 | 139 | 6,800 | 6,900 | 203 | 8,300 | 8,400 | 279 |
| 900 | 1,000 | 14 | 2,400 | 2,500 | 46 | 3,900 | 4,000 | 89 | 5,400 | 5,500 | 143 | 6,900 | 7,000 | 208 | 8,400 | 8,500 | 285 |
| 1,000 | 1,100 | 16 | 2,500 | 2,600 | 49 | 4,000 | 4,100 | 92 | 5,500 | 5,600 | 147 | 7,000 | 7,100 | 213 | 8,500 | 8,600 | 290 |
| 1,100 | 1,200 | 18 | 2,600 | 2,700 | 51 | 4,100 | 4,200 | 95 | 5,600 | 5,700 | 151 | 7,100 | 7,200 | 218 | 8,600 | 8,700 | 296 |
| 1,200 | 1,300 | 20 | 2,700 | 2,800 | 54 | 4,200 | 4,300 | 99 | 5,700 | 5,800 | 155 | 7,200 | 7,300 | 223 | 8,700 | 8,800 | 301 |
| 1,300 | 1,400 | 22 | 2,800 | 2,900 | 56 | 4,300 | 4,400 | 102 | 5,800 | 5,900 | 159 | 7,300 | 7,400 | 228 | 8,800 | 8,900 | 307 |
| 1,400 | 1,500 | 24 | 2,900 | 3,000 | 59 | 4,400 | 4,500 | 106 | 5,900 | 6,000 | 163 | 7,400 | 7,500 | 233 | 8,900 | 9,000 | 312 |

Round To The Nearest Whole Dollar

Example — If Line 13 is \$12,000, the tax would be computed as follows:
\$315 + \$180 (6% of \$3,000) = **\$495**

9,000 315
PLUS 6% of excess over \$9,000

Splitting Your Income

Looks like you are ready to go! Do you have a copy of your 1998 federal return? You will need it to complete this section. Complete this section before you begin the Income section of the tax form. The chart provides you with specific line numbers that make it easy for you to locate this information on your federal return. When you have finished this section, take the numbers from Line 18 and place them on Line 1 of the tax form.

For each type of income, enter the part of the total that is yours in the "You" column and your spouse's part in the "Your Spouse" column. The following items are special points to keep in mind.

- Income received from jointly held property must be split by each spouse's percentage of ownership in the property.
- Taxable social security benefits must be split between each spouse according to their percentage of gross social security benefits received for the tax year times Line 13b of the Federal Form 1040A or Line 20b of the Federal Form 1040.
- The state tax refund should be split according to your last year's income percentages found on Line 16 of your 1997 Missouri income tax return.

| Splitting Your Income for Combined Return | Federal Form 1040EZ Line Number | Federal Form 1040A Line Number | Federal Form 1040 Line Number | You | | Your Spouse |
|--|---------------------------------------|--------------------------------------|-------------------------------------|-----|----|-------------|
| 1. Wages, salaries, tips, etc. | 1 | 7 | 7 | | 00 | 1 |
| 2. Taxable interest income | 2 | 8a | 8a | | 00 | 2 |
| 3. Dividend income | none | 9 | 9 | | 00 | 3 |
| 4. State and local income tax refunds | none | none | 10 | | 00 | 4 |
| 5. Alimony received | none | none | 11 | | 00 | 5 |
| 6. Business income or (loss) | none | none | 12 | | 00 | 6 |
| 7. Capital gain or (loss) | none | none | 13 | | 00 | 7 |
| 8. Other gains or (losses) | none | none | 14 | | 00 | 8 |
| 9. Taxable IRA distributions | none | 10b | 15b | | 00 | 9 |
| 10. Taxable pensions and annuities | none | 11b | 16b | | 00 | 10 |
| 11. Rents, royalties, partnerships, S corporations, trusts, etc. | none | none | 17 | | 00 | 11 |
| 12. Farm income or (loss) | none | none | 18 | | 00 | 12 |
| 13. Unemployment compensation | 3 | 12 | 19 | | 00 | 13 |
| 14. Taxable social security benefits | none | 13b | 20b | | 00 | 14 |
| 15. Other income | none | none | 21 | | 00 | 15 |
| 16. Total (add Lines 1 through 15) | 4 | 14 | 22 | | 00 | 16 |
| 17. Less: federal adjustments to income | none | 17 | 32 | | 00 | 17 |
| 18. Federal adjusted gross income (Line 16 less Line 17) Enter amounts here and on Line 1 of Form MO-1040B | 4 | 18 | 33 | | 00 | 18 |

You have just found the answer to
Question Number 1 on Form MO-1040B.

Frequently Asked Questions of the Missouri Form MO-1040B



How do I know if I am 100% disabled?

You are disabled if you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.



Why is the department asking if I'm 100% disabled?

The Missouri Legislature passed a law that requires the department to contact taxpayers that may be eligible to claim a Property Tax Credit (PTC). The department will use the 100% disabled information to contact taxpayers who may be eligible to claim the PTC for property tax or rent paid on their home.



Why would I check myself as a non-obligated spouse?

If your spouse owes the state of Missouri any child support payments, back taxes, student loans, etc., you may want to check this box. By doing so, Missouri will not use your portion of any refund to pay those amounts owed by your spouse.

The non-obligated spouse apportionment applies only to state agencies. The Internal Revenue Service is not a state agency and debts owed to the IRS are excluded from the non-obligated spouse apportionment.



Why do my spouse and I have to split our income on the Missouri tax form?

It is to your benefit to split the income between you and your spouse. It reduces the rate at which your combined incomes are taxed.



What was my income on my 1998 federal return?

The combined income for you and your spouse must equal the income you reported on your federal return. To help split the income, a worksheet has been provided above. Don't forget to complete the worksheet before you begin the form. This will give you the answer you need.



Can I subtract my state tax refund?

Missouri does not consider any state refund taxable. If you itemized on last year's federal return, you may subtract this amount from your federal income to arrive at your Missouri income. See Federal Form 1040, Line 10.



How do I figure my Missouri income percentage?

Take the income you figured for yourself on Line 3 and divide by the total found on Line 4. Then do the same for your spouse's income on Line 3. The total of the two must equal 100%. (Round to the nearest whole number.)

Yourself Line 3 divided by Line 4 = _____

Your spouse Line 3 divided by Line 4 = _____



What is my federal income tax deduction?

Missouri allows you a deduction for the federal income taxes you paid. The chart below shows you how to figure this deduction from your federal return. Place this number in the first box, but you can only claim a maximum of \$10,000. You may only place the lower of these two numbers in the second box. (Don't use

the information from your Form W-2s for withholding or earned income credit. They only give you a partial deduction.)

| | | | |
|--------------|-------------|--------------|--------------|
| Federal Form | 1040EZ | 1040A | 1040 |
| Line Number | 10 minus 8A | 32 minus 37A | 49 minus 59A |



How do I know if I should take the standard deduction or itemized deduction?

If you claimed the standard deduction on your federal return, you must also claim the standard deduction on your state return. The standard deduction amount for married filing a combined return is \$7,100. **But**, if you or your spouse marked any of the boxes for 65 or over or blind, please see your federal return for your standard deduction amount.

If you itemized on your federal return, you may want to itemize on your state return or take the standard deduction, whichever results in the higher deduction amount. To figure your itemized deductions, please fill out the schedule on the back of the return. **If you itemize deductions on your federal return, you must enclose a copy of Federal Form 1040, pages 1 and 2, and Schedule A.**



How do I figure my dependent deduction?

Multiply \$1,200 by the total number of dependents you claimed as dependents on your federal return. **Do not include yourself or your spouse.**



Multiply \$1,000 by the total number of people age 65 or older you claimed on your federal return. If dependents receive state funding or Medicaid they do not qualify. **Do not include yourself or your spouse.**



How do I figure my tax?

If your Missouri taxable income is less than \$9,000, use the tax table on the back of the tax form. If the Missouri taxable income is over \$9,000, then subtract the \$9,000 from your Missouri taxable income and multiply the difference by 6%. This figure should be added to \$315 and placed on Line 14. Repeat this process for your spouse.



What are estimated tax payments?

These are payments sent in every three months, or a tax refund from last year that was applied to this year's taxes.



Why would I want to apply any or all of my refund to next year's taxes?

You may reduce the amount of tax you may have to pay with next year's Missouri return.



Can I still make a trust fund contribution even though I have a balance due?

Yes, but don't forget to add the amounts contributed to the amount due and provide a separate check.

Line-by-Line Instructions for the Missouri Itemized Deductions

- **You must enclose a copy of your Federal Form 1040 and Federal Schedule A to your Missouri return if you itemize your deductions.**
- **You cannot itemize your deductions if you took the standard deduction on your federal return.**

Line 1 — Federal Itemized Deductions

Enter the amount from Federal Form 1040, Line 36 on Line 1.

Lines 2 and 3 — Social Security Tax (FICA)

Enter in the first box on Line 2 the social security tax **you** paid in 1998, from the social security tax withheld box on your 1998 Form W-2(s), (not to exceed \$4,241). Enter in the second box on Line 2 the Medicare tax **you** paid in 1998, from the Medicare tax withheld box on your 1998 Form W-2(s). Enter the total of these two boxes on Line 2. Repeat these steps using **your spouse's** information and enter on Line 3.

Lines 4 and 5 — Railroad Retirement Tax

Enter in the first box on Line 4 the railroad retirement tax, Tier I and Tier II, which was withheld from **your** wages during 1998 (not to exceed \$6,725). This amount includes a Tier I maximum of \$4,241 and Tier II maximum of \$2,484. Enter in the second box on Line 4 the Medicare tax **you** paid in 1998. Enter the total of these two boxes on Line 4. Repeat these steps using **your spouse's** information and enter on Line 5.

Note: If a person has both FICA and railroad retirement tax, the maximum deduction allowed is the amount withheld as shown on the Form W-2(s) less, either the amount entered on Federal Form 1040, Line 62, or, if only one employer, the amount refunded by the employer.

Lines 6 and 7 — Self-employment Tax

Enter in the first box on Line 6 the self-employment tax **you** paid in 1998 from the Federal Form 1040, Line 50. Enter in the second box on Line 6, **your** portion of the amount of self-employment tax deducted on Federal Form 1040, Line 27. Subtract the second box from the first box and enter the difference on Line 6. Repeat these steps using **your spouse's** information and enter on Line 7.

Line 8 — Cultural Contributions

Enter on Line 8 your **approved** cultural contributions (literary, musical, scholastic or artistic) to a tax exempt agency or institution that is operated on a not-for-profit basis. **Cash contributions do not qualify.** The cultural contribution must be appraised within one (1) year of donation by a qualified appraiser who is not related to the donor or donee as defined in Title 26, Internal Revenue Code Section 168(e)(4)(D). Enclose the appraisal to your tax return accompanied by a sworn statement from the donor and donee that indicates acceptance, by both, of the fair market value fixed by the appraiser. The sworn statement should also specify the actual date of the donation, the donor's address and telephone number and the address where the composition may be viewed, if applicable. This deduction must meet all guidelines established by the Department of Revenue. For more information write to the Department of Revenue, P.O. Box 2200, Jefferson City, MO 65105-2200.

Line 9 — Total

Add Lines 1 through 8. Enter the total on Line 9.

Line 10 — State and Local Income Taxes

If your federal adjusted gross income from Federal Form 1040, Line 33 is \$124,500 or less (\$62,250 or less if married filing separate) enter on Line 10 the amount from your Federal Form 1040, Schedule A, Line 5. However, if your federal adjusted gross income from Federal Form 1040, Line 33 is more than \$124,500 (\$62,250 if married filing separate) complete the Worksheet for Line 10.

Note: The state and local tax you claim on your federal itemized deductions must be subtracted from Missouri itemized deductions. Because at the federal level your itemized deductions are reduced if your income is greater than \$124,500 (\$62,250 if married filing combined), you need to complete this worksheet so that you subtract only the amount of state and local tax you were allowed on your federal itemized deductions. If you don't complete the worksheet (and you *should* complete it) your Missouri itemized deductions will be lower than they should be, and you'll pay too much tax!

Worksheet, Line 10

Included in the Federal Revenue Reconciliation Act of 1990 was a provision that required individuals with federal adjusted gross income over certain income thresholds to reduce the amount allowable for federal itemized deductions by 3% of the excess over that threshold (26 USC 68). Certain deductions, such as medical expenses, investment interest and casualty, theft or wagering losses are not subject to this reduction. For 1998, the threshold is income over \$124,500 (\$62,250 if married filing separate).

Line 11 — Earnings Taxes

Enter on Line 11 the amount of any Kansas City and St. Louis earnings taxes that are included in Line 10.

Line 12 — Net State Income Taxes

Subtract Line 11 from Line 10 and enter the result on Line 12 or if you completed the Worksheet for Line 10, enter the amount from Line 8 of the Worksheet.

Line 13 — Missouri Itemized Deductions

Subtract Line 12 from Line 9 and enter the result on Line 13, and on front of form, Line 8. If this amount is less than the federal standard deduction (see federal income tax form instructions for amount), then you should enter the standard deduction amount on front of form, Line 8, unless you were required to itemize your deductions on your federal return. If you were required to itemize your deductions on your federal return, you must enter the amount from Line 13 on front of form, Line 8.